

AI at work: foster innovation instead of new legislation

Position paper on a possible EU legislative initiative on AI and algorithmic management at work

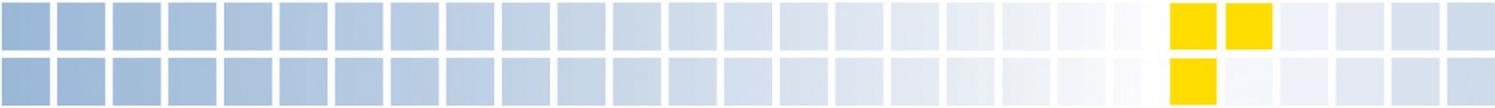
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Summary

The EU's approach to protecting workers in the digital age has created potential challenges in terms of legal clarity and practical implementation, some of which are harmful to European competitiveness and need to be resolved. Therefore, EU Commission President von der Leyen's announcement to make business easier in the EU and "to simplify, consolidate and codify legislation to eliminate any overlaps and contradictions" is significant. The use of Artificial Intelligence (AI) and algorithmic management (AM) at work is already regulated by too many EU laws, creating a complex legal landscape that employers and workers must navigate.

AI and AM are central to further developing job quality, and they should drive productivity and transformation to safeguard the EU's technological sovereignty, social model, and competitiveness. Yet current policy developments raise concerns. The EU Commission's announced "Quality Jobs Act" should not contradict von der Leyen's promise and hamper the positive effects of AI and AM. Instead, the following principles should be followed:

- Europe must become attractive for the use of AI at work to strengthen competitiveness. For that, it is crucial to promote the dissemination of new technologies and to simplify, harmonise, and enforce the existing AI legal framework. Re- and upskilling the workforce and leveraging EU initiatives such as the AI Continent Action Plan are important to navigate an innovation-supporting environment and safeguard European values.
- There is no need for further EU regulation on "AI at the workplace." Instead, priority should be given to the effective deployment of AI and regulatory simplification, including the Digital Omnibus. This simplification is necessary to enable businesses to fully leverage digital technologies for quality jobs.
- It is central to enforce the once-only principle regarding existing legislation on AI and AM. AI at work is already extensively regulated – at both EU and national levels. This applies even more to the broader concept of AM at work since it encumbers many long-established labour practices. Numerous duplications in the existing legislation need to be addressed and resolved including the AI Act, Platform Work Directive, General Data Protection Regulation, and occupational health and safety frameworks.
- Gold-plating in Member States must be prevented. The AI Office should ensure consistent enforcement and a business-friendly environment.
- Collective bargaining by social partners must be strengthened. Collective agreements must take precedence over additional EU legislation, as they can best address national and sectoral needs.



In detail

Focus on a market environment that makes Europe attractive for AI innovation

Europe needs to become a truly attractive investment environment for AI research and innovation to boost competitiveness. This is the prerequisite for achieving global leadership in AI as announced in the AI Continent Action Plan. Workers need to be equipped with strong AI skills through targeted re- and upskilling. Both the EU Commission's AI Continent Action Plan and the announced Digital Omnibus will be key to enhancing AI innovation and simplifying AI regulation while safeguarding our European values on AI.

Studies show: Promote innovation rather than overregulating

Studies show that a high regulatory burden and uncertainty are key factors preventing companies from using AI. To promote uptake and innovation, we need legally compliant and practicable application options for AI. There is no lack of openness among employers. A recent report by IW puts it in a nutshell: the potential of AI to increase productivity is not yet being sufficiently utilised – in Germany, only 37% of companies currently use AI.¹ The main reason for this is heavy regulation: 85% of German companies see data protection as the biggest obstacle, 81% fear additional legal restrictions, and 76% feel unsettled by unclear framework conditions.² According to IW, generative AI could contribute up to €330 billion to GDP if used on a large scale – an enormous economic potential that could be jeopardised by further regulation.³ At the same time, many employees are keen to use AI tools: 62.1% already use AI today.⁴

Foster AI instead of introducing new legislation and do not limit algorithmic management

Introducing new rules would further fragment the regulatory landscape. The EU Commission's announced "Quality Jobs Act" and the European Parliament's legislative initiative report on AI and AM at work risk undermining an innovation-oriented EU AI policy. First, these proposals would introduce additional and unnecessary regulatory barriers that further constrain and impede the uptake and practical use of AI in companies, as outlined above. Moreover, algorithmic management has been embedded in corporate work processes for decades, extending far beyond the relatively recent deployment of AI. Algorithmic management is the full or partial automation of management tasks through software algorithms, without necessarily involving machine learning or AI technologies. Examples without AI technologies include shift scheduling, task allocation, as well as process and quality control. New regulation would disrupt and burden many long-established labour practices. Therefore, the announced "Quality Jobs Act" should not introduce further compliance obligations – for instance, on data protection and workers' personal rights, considering that the EU already has a comprehensive legal framework in this respect, including the General Data Protection Regulation, Platform Work Directive, and AI Act.

¹ Engels et al., IW-Report 33/2025

² Bitkom Research, 2023

³ Bolwin et al., „The digital factor: How Germany benefits from smart technologies“, IW Consult, commissioned by Google, 2023

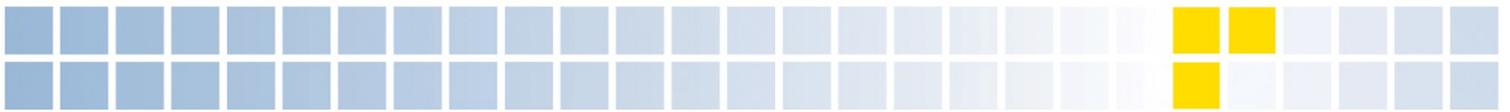
⁴ Arntz et al., „Digital Transformation and the Changing World of Work (DiWaBe 2.0): A Data Source for Research on Artificial Intelligence and Other Technologies in the Workplace“, bauer: Report, 2025

Enforce the once-only principle with existing regulation

Companies need regulatory clarity, not further uncertainty. To avoid regulatory overlaps, cross-references based on the once-only principle should be introduced between the existing General Data Protection Regulation (GDPR), the Platform Work Directive (PWD), the AI Act, the EU Framework Directive on Occupational Safety and Health, the EU Strategic Framework on Health and Safety at Work 2021—2027, the Information and Consultation Directive, and the Transparent and Predictable Working Conditions Directive.

Today, these different regulations impose parallel provisions on the deployment of AI systems in the workplace with differing rationales: safety, fairness, and data privacy. This already causes legal uncertainty, operational complexity, and innovation disincentives for companies. Some concrete examples of existing regulatory overlaps are as follows:

- [General Data Protection Regulation](#): The GDPR has regulated much of what the PWD and AI Act also seek to impose for many years, such as the right to information/consultation, data minimisation, and human oversight. The GDPR governs the processing of personal data by AI systems. Concretely, Art. 9(1) defines how and which personal data may be processed, and Art. 88 addresses workplace-related provisions. In Germany, the GDPR has been complemented by the Bundesdatenschutzgesetz (BDSG). Art. 26 BDSG sets out the purposes for which employee data may be processed. The Digital Omnibus proposal aims to facilitate the use of data for AI development and research.
- [Platform Work Directive](#): The PWD introduces parallel rights that duplicate several GDPR and AI Act obligations. It thereby creates legal ambiguity, among others, through stricter bans on biometric checks or data categories already addressed by the GDPR. Concretely, the Directive regulates the use of algorithmic management systems in the context of platform work (Chapter III, Arts. 7-15). To reduce the risk of a lack of transparency or unauthorised monitoring, the PWD imposes information obligations on platforms and requires them to monitor and review algorithmic management. The PWD, however, does not fit other sectors' needs.
- [AI Act](#): The AI Act establishes risk-based requirements for AI systems. AI applications in the workplace, particularly in employment and personnel management, are already generally considered high risk under Art. 6(2) in conjunction with Annex III(4) of the AI Act. Deployment is subject to far-reaching requirements, including human supervision by competent staff. Specifically, the AI Act Art. 26(7) already regulates how to inform employees before putting into service or using a high-risk AI system. Concerning human oversight, Art. 26(2) and Art. 14(4) already define how to deal with high-risk AI systems that affect employees.
- EU Framework Directive on Occupational Safety and Health / [EU Strategic Framework on Health and Safety at Work 2021-2027](#): Both instruments ensure that AI deployment does not compromise worker health. The Framework Directive provides a clear legal basis for involving social partners in decisions about workplace technologies, including AI. It explicitly sets out employers' core responsibilities to ensure safety and health in all aspects of work. Employers are obliged to consult workers and their representatives on the planning and introduction of new technologies (Art. 6(3)(c)) and to guarantee their right to participate in all matters related to occupational safety and health (Art. 11).
- Information and Consultation Directive / [Transparent and Predictable Working Conditions Directive](#): The first grants workers the right to be informed about and consulted on AI implementation. The latter already regulates the employers' provision of information to their employees on the essential aspects of the employment relationship (Arts. 3, 4, and Art. 5(1)). In particular, Art. 4(2)(b) and (c) define the content of the information and consultation of employees, for example, regarding decisions that are likely to lead to substantial changes in work organisation. The measures demanded in the Parliament's own-initiative report – apart from the lack of necessity – are practically impossible for companies to implement.



Avoid gold-plating in Member States and strengthen the AI Office's role

To avoid distorting competition, there must be no gold-plating in the Member States, and EU regulation must be applied consistently. The AI Office, for example, is responsible for ensuring the uniform application of the AI Act in the Member States and for providing advice and services to businesses. Divergent interpretations of AI-related provisions in Member States create compliance risks and increase administrative costs for companies operating cross-border. The AI Office should therefore help create the legal certainty that companies need to be productive and innovative. The effects of the PWD are also not yet foreseeable, given that it has not yet been implemented by the Member States. This is why the initial focus should be on establishing legal certainty rather than creating new obstacles through new regulations.

Give collective agreements room for tailored solutions

Collective agreements on a broad scale – not further EU law – must serve as a basis for AI-based processes. In many respects, social partner agreements can offer a suitable alternative to regulation. In many sectors, joint social partner agreements have already been concluded at European and national levels, targeting the employment policy aspects of AI. Such social partner regulations for the world of work offer made-to-measure and practical solutions that meet the specific needs and requirements of the sectors and companies involved and their employees. Overall, social dialogue for the use of AI in the world of work can make an important, complementary contribution to the European AI regulatory framework.

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